Approved for Release: 2018/10/02 C02997891

3.5(c)

NR

The National Intelligence Daily

Published by the Director of Central Intelligence for Named Principals Only

Copy No. 206

TUESDAY JUNE 15, 1976 VOLUME 3, NUMBER 140

3.5(c)

3.5(c)

TOP SECRET

Approved for Release: 2018/10/02 C02997891

Approved for Release: 2018/10/02 C02997891
TOP SECRET

NR

3.5(c)

WESTERN HEMISPHERE

Latin America: International Terrorist Group

Recently captured documents support earlier speculation that Latin American terrorists are joining forces to engage in activities outside the hemisphere.

Shortly after the murder last month of the Bolivian ambassador to France, General Zenteno, leads developed by Paris police indicated that some form of international terrorism was at work.

Ballistics tests reportedly confirm that the gun used to kill Zenteno was the same weapon that wounded the Spanish military attache in Paris last fall. Moreover, the murder of Zenteno bears a marked similarity to the assassination of the Uruguayan military attache in Paris in December, 1974.

Speculation about the activities of a South American guerrilla organization known as the Revolutionary Coordinating Junta was also fueled by an advertisement it placed in the May 9 issue of *Le Monde* in Paris. Entitled "Latin America Fights in Argentina," the manifesto is the organization's first such open attack abroad.

It focuses attention on the repressive activities of the new Argentine government and calls for a world-wide mobilization to free Edgardo Enriquez, the founder of the Chilean Movement of the Revolutionary Left and a member of the Junta's secretariat, who was arrested by Argentine security forces on April 10.

This may be the beginning of an international propaganda effort to discredit the military government—at least it serves to arouse the sympathies of the French left on this issue.

Information on the Coordinating Junta is fragmentary. Some of it comes from sources of unknown reliability and some from South American security services that may exaggerate the importance of available data for their own purposes. Nevertheless, documents captured in raids on guerrilla hideouts and arrests of extremists in Paraguay, Chile, Argentina, and Bolivia confirm that such an organization does exist.

The organization may have originated during informal contacts between various South American leftist movements as early as 1968. Its formal existence was declared in a joint communique in February 1974 when representatives of guerrilla groups in Bolivia, Uruguay, Chile, and Argentina announced that they were uniting under the leadership of Roberto Santucho, the head of the Peoples' Revolutionary Army in Argentina.

In March 1975 a Paraguayan extremist organization reportedly joined the group and later that month a meeting was held in Lisbon "to unify the Latin American revolutionary movements."

The Junta is now said to have representatives in several European countries, including Portugal, Sweden, and France, but available evidence indicates that its headquarters is still in Argentina and that most of its funds, and probably its members, come from the Peoples' Revolutionary Army.

Until now the Junta has not taken responsibility for any terrorist operations, as has been the practice of individual guerrilla organizations in South America. This does not mean it has been inactive.

On the contrary, it would appear from captured documents that the organization takes its coordinating function seriously and exists for that purpose and to provide logistic support to its member groups. These functions were strongly emphasized in the documents captured by the Paraguayan government late last year, in those uncovered by Argentine security forces in a raid on one of Santucho's hideouts this spring, and in documents discovered in Bolivia in April.

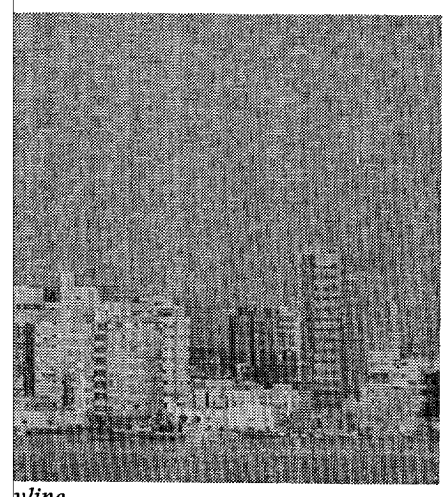
Despite the lack of hard data on assets or numbers involved, it would appear that the Junta has already achieved a status and operational capability that exceeds past efforts by Latin American revolutionaries to form an intra-hemisphere terrorist organization.

3.5(c)

TOP SECRET
Approved for Release: 2018/10/02 C02997891

Approved for Release: 2018/10/02 C02997891

Page Denied



yline

and passivity of the past and to put the blame for their problems on incompetence, indifference, or corruption of officials.

To some extent, those members of the royal family and other officials who have always believed in a "Saudi-first" policy are using the debate over domestic priorities as a club to attack the country's foreign policies—especially Fahd's efforts to open up relations with governments such as those in Baghdad and Aden and his willingness to spend money in pursuit of Saudi foreign interests.

The Saudis' Egyptian aid program is a focal point for critics of national planning priorities; they point to Saudi Arabia's own housing shortage and the government's simultaneous funding of Egyptian housing programs.

Crown Prince Fahd and other politicians are not insensitive to these complaints. In recent weeks the council of ministers has announced a series of steps to reduce and control prices of food and building materials, made plans for rent control, expedited public housing programs, and announced that an "iron fist" would be used on profiteers and hoarders.

These steps will probably not prove very effective, however, unless inflation can be controlled—and the government lacks some of the classic institutional tools such as discount rates, interest rates, or meaningful customs duties.

On the other hand, pressures on the government to get things done have required it to speed up the recruitment of foreign workers—against the wishes of many Saudis. US longshoremen have even been hired in an effort to reduce the congestion in the port of Jidda.

Saudi Arabia is in the early stages of a quiet revolution. By the end of the current development plan in 1980—even if it is only partially successful—economic patterns and priorities will be reordered and dramatic changes in social values will almost certainly have occurred.

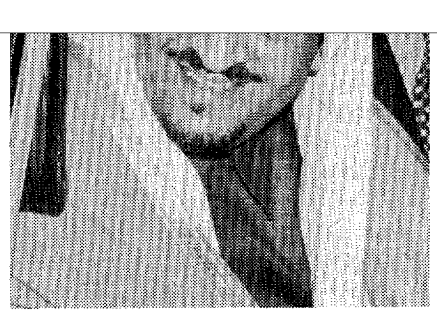
The impact of these developments on politics is more difficult to estimate. The religious establishment, tribal sheikhs, and some other traditional power wielders are likely to suffer an eclipse. We cannot rule out that the tensions flowing from the reordering of society will magnify intra-royal family conflict.

There is always the possibility that those members of the royal family who are anti-Fahdists to begin with, might become so "turned off" by corruption and the direction of social change that they would attempt to move against Fahd and the modernizers. They could cite as their precedent, Faysal's ouster of King Saud and his profligate sons in 1964.

Somewhat more likely, we believe, is that the country's public and private sectors will become increasingly dependent on commoners with managerial, technical, economic, and scientific skills. It will not be long until this new class demands a voice in national decision-making. Thus, in the long run, it may be the royal modernizers like Fahd—who set the revolution in motion—who will be the biggest losers. (S NF/OC)

now estimated at 40 percent or more annually. They also believe the plan is more a political than economic document and that ambitious capital projects in the plan should have been preceded by the development of roads, ports, utilities, and vocational education.

Defenders of the plan say non-developmental spending, especially by the military, is more responsible for the inflationary spiral. In any case, the debate



Prince Fahd

traditional Saudi values.

- The possibility—dreaded by most Saudis—that they may be creating another Kuwait, in which virtually all the essential work of the country is performed by expatriate helots, while the local citizens become an idle rich minority.

Outlook

Discontent over economic pressures, corruption, and social change has not yet grown to a serious level, but many senior Saudi officials, including some of the staunchest supporters of government policy, fear that a popular backlash may be brewing. In the context of inflation and shortages, they contend that people are beginning to question the wisdom of national priorities at home and abroad.

Oil Minister Yamani, according to one report, told Fahd earlier this year that the government's decision to focus on industrialization at the expense of what he called welfare programs—housing, medical care, and the like—was causing "social dislocation" among Saudis.

Saudi Arabia's small, but growing, urban middle class probably most feels the economic squeeze from the rising costs of food and shelter. Eventually the squeeze may enhance the sensibilities of many Saudis to the inequities and malfunctioning in the current system. They will come increasingly to reject the fatalism

EC: Puerto Rico Summit

The EC foreign ministers, meeting in Luxembourg over the weekend, failed to agree on EC representation at this month's economic summit in Puerto Rico. The matter will be taken up by the political directors tomorrow.

Denmark was a major obstacle to consensus on representation because of its opposition to having Community matters discussed at the Puerto Rico summit. A high-level Danish foreign ministry source, however, believes that his government will probably yield in return for certain conditions, as yet unspecified, regarding EC participtionat Puerto Rico and future summit meetings.

The Dutch, like the Danes, are also uneasy about the summit, believing that the US intends to use the meeting to align industrial country positions toward the developing states. At the UNCTAD meeting in Nairobi, the Netherlands was far more willing than its EC partners to accept the demands of the poor countries. The Hague, however, is unlikely to stand alone in blocking EC participation at Puerto Rico.

The Luxembourg discussions cleared up some of the bad feeling aroused by the larger members' failure to consult before agreeing to go to the summit. The French, Germans, British, and Italians have now reportedly pledged to consult their fellow EC members before accepting invitations of this kind in the future. (C NF/OC)

TOP SECRET

Approved for Release: 2018/10/02 C02997891

Approved for Release: 2018/10/02 C02997891

NR

Page Denied

Approved for Release: 2018/10/02 C02997891